

House File 682 - Introduced

HOUSE FILE 682
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 176)

A BILL FOR

1 An Act relating to the Iowa appraisal standards and appraiser
2 certification law and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 543D.1, Code 2021, is amended to read as
2 follows:

3 **543D.1 Short title.**

4 This chapter shall be known and may be cited as the "*Iowa*
5 *Voluntary Appraisal Standards and Appraiser Certification Law*".

6 Sec. 2. Section 543D.2, Code 2021, is amended by adding the
7 following new subsections:

8 NEW SUBSECTION. 4A. "*Appraisal review*" means developing
9 and communicating an opinion under the uniform standards of
10 professional appraisal practice review standards regarding the
11 quality of an appraiser's work product, with or without also
12 providing an opinion of value, prepared as part of an appraisal
13 assignment. "*Appraisal review*" does not include quality control
14 solely to assure an appraisal report is complete, or to correct
15 grammatical, typographical, or similar errors.

16 NEW SUBSECTION. 8A. "*Federally related transaction*" means
17 any financial transaction related to real estate which a
18 federal financial institutions regulatory agency engages in,
19 contracts for, or regulates, and which requires the services
20 of an appraiser pursuant to federally related transaction
21 regulations.

22 NEW SUBSECTION. 8B. "*Federally related transaction*
23 *regulations*" means regulations established by the comptroller
24 of the currency, the board of governors of the federal reserve
25 system, the federal deposit insurance corporation, or the
26 national credit union administration pursuant to sections 1112,
27 1113, and 1114 of Tit. XI of the federal Financial Institutions
28 Reform, Recovery, and Enforcement Act, 12 U.S.C. §3341 - 3343.

29 Sec. 3. Section 543D.2, subsection 9, Code 2021, is amended
30 to read as follows:

31 9. "*Review appraiser*" means a person who is responsible
32 ~~for the administrative approval of the appraised value of~~
33 ~~real property or assures that appraisal reports conform to~~
34 ~~the requirements of law and policy, or that the value of real~~
35 ~~property estimated by appraisers represents adequate security,~~

1 ~~fair market value, or other defined value~~ conducting an
 2 appraisal review.

3 Sec. 4. Section 543D.3, Code 2021, is amended to read as
 4 follows:

5 **543D.3 Purposes.**

6 1. The purpose of ~~this chapter~~ is to establish standards
 7 for real estate appraisals and a procedure for the mandatory
 8 certification of real estate appraisers performing appraisals
 9 for federally related transactions, the voluntary certification
 10 of real estate appraisers performing appraisals not related to
 11 federally related transactions, and the mandatory registration
 12 of associate real estate appraisers.

13 1A. A person who performs an appraisal, other than an
 14 appraisal review, for a federally related transaction as
 15 it relates to real estate located in this state must be
 16 a certified real estate appraiser under this chapter or a
 17 registered associate real estate appraiser acting under the
 18 direct supervision of a certified real estate appraiser if the
 19 services of a certified real estate appraiser are required by
 20 federal law or regulation.

21 2. A person who is not a certified real estate appraiser
 22 under ~~this chapter~~ may appraise real estate for compensation if
 23 certification is not required by ~~this chapter~~ or by federal or
 24 state law, rule, or policy. ~~However, an employee of the state~~
 25 ~~department of transportation whose duties include appraisals~~
 26 ~~of property pursuant to chapter 6B must be a certified real~~
 27 ~~estate appraiser under this chapter or a registered associate~~
 28 ~~real estate appraiser acting under the direct supervision~~
 29 ~~of a certified real estate appraiser.~~ Notwithstanding this
 30 subsection, in connection with the performance of an appraisal
 31 of real estate located in this state, the use of the title
 32 "certified real estate appraiser", "associate real estate
 33 appraiser", or any other like title, including a title that
 34 suggests an individual is certified under the laws of this or
 35 another state, shall only be used to refer to or by individuals

1 who hold a certificate or registration under this chapter.

2 3. An employee of the state department of transportation
3 whose duties include appraisals of property pursuant to chapter
4 6B must be a certified real estate appraiser under this chapter
5 or a registered associate real estate appraiser acting under
6 the direct supervision of a certified real estate appraiser.

7 Sec. 5. Section 543D.11, Code 2021, is amended to read as
8 follows:

9 **543D.11 Certification by reciprocity.**

10 1. If, in the determination by the board, another state
11 is deemed to have substantially equivalent certification
12 requirements, an applicant who is certified under the laws of
13 the other state may obtain a certificate as a certified real
14 estate appraiser upon terms and conditions as determined by the
15 board.

16 2. The board may recognize on a temporary basis the
17 certification or license of an appraiser issued by another
18 state, including where the property to be appraised is part
19 of a federally related transaction. An appraiser engaging in
20 such temporary practice shall apply for and obtain a temporary
21 practice permit from the board before performing any services
22 in relation to an appraisal, is subject to the full regulatory
23 jurisdiction of the board, and is governed by the laws and
24 rules administered by the board.

25 Sec. 6. Section 543D.15, subsection 1, Code 2021, is amended
26 to read as follows:

27 1. a. The term "~~certified real estate appraiser~~" title
28 "certified real estate appraiser", "associate real estate
29 appraiser", or any other like title shall only be used to refer
30 to individuals who hold the certificate or registration, as
31 applicable, and shall not be used in connection with or as part
32 of the name or signature of a firm, partnership, corporation,
33 or group, or in a manner that it may be interpreted as
34 referring to a firm, partnership, corporation, group, other
35 business entity, or anyone other than an individual holder of

1 the certificate or registration.

b. In connection with an appraisal assignment performed on real estate located in this state, the title "certified real estate appraiser", "associate real estate appraiser", or any other like title, including a title that suggests an individual is licensed or certified under the laws of this state or another state, shall only be used to refer to individuals who hold a certificate or registration under this chapter.

9 Sec. 7. Section 543D.20, subsection 5, Code 2021, is amended
10 to read as follows:

11 5. Persons who appraise real estate where certification is
12 not required by [this chapter](#) or by federal or state law, rule,
13 or policy, and who are not assisting a certified real estate
14 appraiser in the development or reporting of an appraisal
15 assignment that is required by [this chapter](#), or by federal
16 or state law, rule, or policy to be performed by a certified
17 real estate appraiser, are not required to register with the
18 board. Notwithstanding this subsection, in connection with the
19 performance, or assistance in the performance, of an appraisal
20 of real estate located in this state, the use of the title
21 "associate real estate appraiser" or any other like title,
22 including a title that suggests an individual is an associate
23 real estate appraiser under the laws of this state or another
24 state, shall only be used to refer to individuals who hold a
25 registration under this chapter.

26 Sec. 8. Section 543D.21, subsection 4, Code 2021, is amended
27 by adding the following new paragraph:

28 NEW PARAGRAPH. *0a.* A violation of section 543D.3,
29 subsections 1A, 2, or 3.

30 Sec. 9. Section 543D.21, subsection 4, paragraph c, Code
31 2021, is amended to read as follows:

32 *c.* A violation of [section 543D.20, subsection 1 or 5.](#)

EXPLANATION

34 The inclusion of this explanation does not constitute agreement with
35 the explanation's substance by the members of the general assembly.

1 This bill relates to the Iowa appraisal standards and
2 appraiser certification law.

3 Current law provides that Code chapter 543D shall be known
4 as the Iowa voluntary appraisal standards and appraiser
5 certification law. The bill provides that Code chapter 543D
6 shall be known as the Iowa appraisal standards and appraiser
7 certification law.

8 The bill defines "appraisal review" as developing and
9 communicating an opinion under the uniform standards of
10 professional appraisal practice review standards regarding
11 the quality of an appraiser's work product prepared as part
12 of an appraisal assignment. The bill defines "federally
13 related transaction" as any financial transaction related to
14 real estate which a federal financial institutions regulatory
15 agency engages in, contracts for, or regulates, and which
16 requires the services of an appraiser pursuant to federally
17 related transaction regulations. The bill defines "federally
18 related transaction regulations" as regulations established
19 by the comptroller of the currency, the board of governors
20 of the federal reserve system, the federal deposit insurance
21 corporation, or the national credit union administration
22 pursuant to sections 1112, 1113, and 1114 of Tit. XI of
23 the federal Financial Institutions Reform, Recovery, and
24 Enforcement Act, 12 U.S.C. §3341 - 3343. The bill modifies
25 the definition of "review appraiser" to mean a person who is
26 responsible for conducting an appraisal review.

27 The bill provides that the purpose of Code chapter 543D is
28 to establish a procedure for the mandatory certification of
29 real estate appraisers performing appraisals for federally
30 related transactions and voluntary certification of real estate
31 appraisers performing appraisals that are not related to
32 federally related transactions.

33 The bill requires a person to be a certified real estate
34 appraiser if the person performs an appraisal for a federally
35 related transaction as it relates to real estate located in

1 this state. Additionally, the bill requires a person who
2 is a registered associate real estate appraiser to be under
3 the direct supervision of a certified real estate appraiser
4 if the person performs an appraisal for a federally related
5 transaction as it relates to real estate located in this state,
6 and if the services of a certified real estate appraiser are
7 required by federal law.

8 Current law provides that a person who is not a certified
9 real estate appraiser may appraise real estate if certification
10 is not required by Code chapter 543D or any other state or
11 federal law. The bill provides that, notwithstanding that
12 provision, in connection with an appraisal of real estate
13 located in this state, the title certified real estate
14 appraiser, associate real estate appraiser, or any other
15 similar title shall only be used by an individual who holds a
16 certificate or registration under Code chapter 543D.

17 The bill provides that the real estate appraiser examining
18 board may recognize on a temporary basis the certification or
19 license of an appraiser issued by another state. An appraiser
20 who has been recognized on a temporary basis is required to
21 apply for and obtain a temporary practice permit from the board
22 before performing any services related to an appraisal and is
23 governed by the laws and rules administered by the board.

24 The bill provides that the title certified real estate
25 appraiser, associate real estate appraiser, or any similar
26 title shall only be used to refer to individuals who hold
27 the appropriate certificate or registration. Additionally,
28 the bill provides that, in connection with an appraisal
29 assignment performed on real estate located in this state, the
30 title certified real estate appraiser, associate real estate
31 appraiser, or any other like title shall only be used to refer
32 to individuals who hold a certificate or registration under
33 Code chapter 543D.

34 Current law does not require registration with the board
35 of those who appraise real estate where certification is not

1 required by Code chapter 543D or any other state or federal
2 law, and who are not assisting a certified real estate
3 appraiser in the development of an appraisal assignment that is
4 required by Code chapter 543D or any other state or federal law
5 to be performed by a certified real estate appraiser. The bill
6 provides that, notwithstanding that provision, in connection
7 with an appraisal of real estate located in this state, the
8 title associate real estate appraiser or any other similar
9 title shall only be used to refer to or by an individual who
10 holds a certificate or registration under Code chapter 543D.
11 The bill authorizes civil penalties against a person who is
12 not certified under Code chapter 543D for a violation of Code
13 section 543D.3, subsection 1A, 2, or 3, or for a violation of
14 Code section 543D.20, subsection 5. The maximum civil penalty
15 that may be imposed is \$1,000 for each violation.